



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 2002

S. 491

An act to authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Denver Water Reuse project

*As ordered reported by the House Committee on Resources
on September 12, 2002*

SUMMARY

S. 491 would authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse Project. This project would recycle wastewater for the city and county of Denver, Colorado. Based on information from the Bureau of Reclamation, CBO estimates that implementing S. 491 would cost \$23 million over the 2003-2005 period, assuming appropriation of the necessary amounts. S. 491 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 491 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 491 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	10	13	0	0	0
Estimated Outlays	0	5	10	8	0	0

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 491 will be enacted near the start of fiscal year 2003 and that the necessary funds will be appropriated for each year. Based on information from the Bureau of Reclamation, CBO estimates that the total Denver Water Reuse project would cost \$140 million. S. 491 would allow any funds appropriated under section 1631 of the Reclamation Wastewater and Groundwater Study and Facilities Act to be used for the project. That act limits the federal contribution to 25 percent of a project's total cost, but no more than \$20 million, as adjusted for inflation since October 1996. Because 25 percent of the Denver Water Reuse project's total cost would exceed this threshold, CBO estimates that implementing S. 491 would involve a federal contribution of \$23 million over the 2003-2005 period. S. 491 would not authorize the federal government to fund the operation and maintenance of the project.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 491 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

PREVIOUS CBO ESTIMATE

On May 31, 2001, CBO prepared a cost estimate for S. 491 as ordered reported by the Senate Committee on Energy and Natural Resources on May 16, 2001. The two versions of the legislation are identical, and our estimates of cumulative costs are the same. The earlier

estimate assumed an earlier enactment and implementation of S. 491 over the 2002-2004 period, however, this estimate assumes implementation would occur over the 2003-2005 period.

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